

# Contract Construction & Right-of-Way Acquisition

Analyst: Headlee

## Historical Summary

| <b>OPERATING BUDGET</b>         | <b>FY 2008<br/>Total App</b> | <b>FY 2008<br/>Actual</b> | <b>FY 2009<br/>Approp</b> | <b>FY 2010<br/>Request</b> | <b>FY 2010<br/>Gov Rec</b> |
|---------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| <b>BY FUND CATEGORY</b>         |                              |                           |                           |                            |                            |
| Dedicated                       | 84,538,400                   | 62,334,300                | 39,404,700                | 33,690,200                 | 41,972,200                 |
| Federal                         | 295,133,200                  | 226,341,400               | 235,744,200               | 250,256,100                | 250,480,700                |
| <b>Total:</b>                   | <b>379,671,600</b>           | <b>288,675,700</b>        | <b>275,148,900</b>        | <b>283,946,300</b>         | <b>292,452,900</b>         |
| Percent Change:                 |                              | (24.0%)                   | (4.7%)                    | 3.2%                       | 6.3%                       |
| <b>BY OBJECT OF EXPENDITURE</b> |                              |                           |                           |                            |                            |
| Operating Expenditures          | 32,074,300                   | 3,604,000                 | 17,911,700                | 17,911,700                 | 17,911,700                 |
| Capital Outlay                  | 333,204,500                  | 282,523,800               | 253,464,200               | 262,261,600                | 270,768,200                |
| Trustee/Benefit                 | 14,392,800                   | 2,547,900                 | 3,773,000                 | 3,773,000                  | 3,773,000                  |
| <b>Total:</b>                   | <b>379,671,600</b>           | <b>288,675,700</b>        | <b>275,148,900</b>        | <b>283,946,300</b>         | <b>292,452,900</b>         |

## Division Description

The Contract Construction & Right-of-Way Acquisition division accounts for the funds necessary for highway construction projects that maintain and improve the state's highway system. The level of accomplishment in providing for the highway user is related, in part, to the funds available for contract construction. The current and useful life of the state's infrastructure depends on sufficient funding and efficient expenditure of these funds on necessary improvements.

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## Comparative Summary

| Decision Unit                           | Agency Request |          |                    | Governor's Rec |          |                    |
|---|----------------|----------|--------------------|----------------|----------|--------------------|
|   | FTP            | General  | Total              | FTP            | General  | Total              |
| <b>FY 2009 Original Appropriation</b>   | <b>0.00</b>    | <b>0</b> | <b>275,148,900</b> | <b>0.00</b>    | <b>0</b> | <b>275,148,900</b> |
| Reappropriation                         | 0.00           | 0        | 97,068,900         | 0.00           | 0        | 97,068,900         |
| <b>FY 2009 Total Appropriation</b>      | <b>0.00</b>    | <b>0</b> | <b>372,217,800</b> | <b>0.00</b>    | <b>0</b> | <b>372,217,800</b> |
| Noncognizable Funds and Transfers       | 0.00           | 0        | 461,400            | 0.00           | 0        | 461,400            |
| <b>FY 2009 Estimated Expenditures</b>   | <b>0.00</b>    | <b>0</b> | <b>372,679,200</b> | <b>0.00</b>    | <b>0</b> | <b>372,679,200</b> |
| Removal of One-Time Expenditures        | 0.00           | 0        | (97,068,900)       | 0.00           | 0        | (97,068,900)       |
| Base Adjustments                        | 0.00           | 0        | (6,175,900)        | 0.00           | 0        | (6,175,900)        |
| <b>FY 2010 Base</b>                     | <b>0.00</b>    | <b>0</b> | <b>269,434,400</b> | <b>0.00</b>    | <b>0</b> | <b>269,434,400</b> |
| 1. FY 2010 GARVEE Bonding Authority     | 0.00           | 0        | 0                  | 0.00           | 0        | 0                  |
| 2. Construction Appropriation Increase  | 0.00           | 0        | 14,511,900         | 0.00           | 0        | 15,554,500         |
| 3. Contract Construction Increase       | 0.00           | 0        | 0                  | 0.00           | 0        | 1,422,200          |
| 4. Contract Construction Increase       | 0.00           | 0        | 0                  | 0.00           | 0        | 2,841,800          |
| 5. Governor's Transportation Initiative | 0.00           | 0        | 0                  | 0.00           | 0        | 3,200,000          |
| <b>FY 2010 Total</b>                    | <b>0.00</b>    | <b>0</b> | <b>283,946,300</b> | <b>0.00</b>    | <b>0</b> | <b>292,452,900</b> |
| Change from Original Appropriation      | 0.00           | 0        | 8,797,400          | 0.00           | 0        | 17,304,000         |
| % Change from Original Appropriation    |                |          | 3.2%               |                |          | 6.3%               |

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| Budget by Decision Unit               | FTP  | General | Dedicated  | Federal     | Total       |
|---------------------------------------|------|---------|------------|-------------|-------------|
| <b>FY 2009 Original Appropriation</b> | 0.00 | 0       | 39,404,700 | 235,744,200 | 275,148,900 |

## Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance from FY 2008 into FY 2009. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

|                           |      |   |            |            |            |
|---------------------------|------|---|------------|------------|------------|
| Agency Request            | 0.00 | 0 | 53,608,900 | 43,460,000 | 97,068,900 |
| Governor's Recommendation | 0.00 | 0 | 53,608,900 | 43,460,000 | 97,068,900 |

|                                    |      |   |            |             |             |
|------------------------------------|------|---|------------|-------------|-------------|
| <b>FY 2009 Total Appropriation</b> |      |   |            |             |             |
| Agency Request                     | 0.00 | 0 | 93,013,600 | 279,204,200 | 372,217,800 |
| Governor's Recommendation          | 0.00 | 0 | 93,013,600 | 279,204,200 | 372,217,800 |

## Noncognizable Funds and Transfers

Transfers in cost savings from other programs to meet Governor Otter's directive to reduce administrative costs by 6%.

|                |      |   |         |   |         |
|----------------|------|---|---------|---|---------|
| Agency Request | 0.00 | 0 | 461,400 | 0 | 461,400 |
|----------------|------|---|---------|---|---------|

*This funding reflects the Governor's initiative to reduce administrative costs by six percent and place funds where they will most directly benefit system users.*

|                           |      |   |         |   |         |
|---------------------------|------|---|---------|---|---------|
| Governor's Recommendation | 0.00 | 0 | 461,400 | 0 | 461,400 |
|---------------------------|------|---|---------|---|---------|

|                                       |      |   |            |             |             |
|---------------------------------------|------|---|------------|-------------|-------------|
| <b>FY 2009 Estimated Expenditures</b> |      |   |            |             |             |
| Agency Request                        | 0.00 | 0 | 93,475,000 | 279,204,200 | 372,679,200 |
| Governor's Recommendation             | 0.00 | 0 | 93,475,000 | 279,204,200 | 372,679,200 |

## Removal of One-Time Expenditures

|                           |      |   |              |              |              |
|---------------------------|------|---|--------------|--------------|--------------|
| Agency Request            | 0.00 | 0 | (53,608,900) | (43,460,000) | (97,068,900) |
| Governor's Recommendation | 0.00 | 0 | (53,608,900) | (43,460,000) | (97,068,900) |

## Base Adjustments

This base reduction reflects the projected decrease in state funding from the state highway account (fuel tax, registration fees, and other misc. revenue) available for contract construction and right-of-way acquisition in FY 2010.

|                           |      |   |             |   |             |
|---------------------------|------|---|-------------|---|-------------|
| Agency Request            | 0.00 | 0 | (6,175,900) | 0 | (6,175,900) |
| Governor's Recommendation | 0.00 | 0 | (6,175,900) | 0 | (6,175,900) |

|                           |      |   |            |             |             |
|---------------------------|------|---|------------|-------------|-------------|
| <b>FY 2010 Base</b>       |      |   |            |             |             |
| Agency Request            | 0.00 | 0 | 33,690,200 | 235,744,200 | 269,434,400 |
| Governor's Recommendation | 0.00 | 0 | 33,690,200 | 235,744,200 | 269,434,400 |

### 1. FY 2010 GARVEE Bonding Authority

The Idaho Transportation Department requests \$125 million in bonding authority for the issuance of highway transportation bonds in a principal amount sufficient to continue financing highway transportation projects. Such bonds are expected to be issued during fiscal year 2010. The addition of this \$125 million would bring the total bonding authority approved by the Legislature up to \$722 million.

|                |      |   |   |   |   |
|----------------|------|---|---|---|---|
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
|----------------|------|---|---|---|---|

*The Governor recommends bonding authority for the issuance of highway transportation bonds in a principal amount sufficient to finance the highway transportation projects. Such bonds are expected to be issued during fiscal year 2010 and are expected to be paid from continuing appropriations of federal funds from the State Highway Account as provided in Section 40-707, Idaho Code. The Governor supports the request for an additional \$125 million of bonding authority for FY 2010.*

|                           |      |   |   |   |   |
|---------------------------|------|---|---|---|---|
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
|---------------------------|------|---|---|---|---|

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| Budget by Decision Unit   | FTP  | General | Dedicated   | Federal     | Total       |
|---|------|---------|-------------|-------------|-------------|
| <b>2. Construction Appropriation Increase</b>   |      |         |             |             |             |
| This line item reflects an increase in available federal funds for contract construction and right-of-way acquisition due to less GARVEE debt service than the previous year.   |      |         |             |             |             |
| Agency Request  | 0.00 | 0       | 0           | 14,511,900  | 14,511,900  |
| <i>The Governor recommends increases in federally funded Contract Construction capital outlay spending authority to the level designated by the Highway Funding Plan (\$14,511,900). An additional amount is reflected that represents the change made in health insurance benefits contract (\$1,042,600).</i>   |      |         |             |             |             |
| Governor's Recommendation   | 0.00 | 0       | 1,042,600   | 14,511,900  | 15,554,500  |
| <b>3. Contract Construction Increase</b>  |      |         |             |             |             |
| Agency Request  | 0.00 | 0       | 0           | 0           | 0           |
| <i>The Governor recommends an agency-wide 15% reduction in dedicated capital replacement funds (excluding the buy-back program) for the purpose of additional road construction.</i>  |      |         |             |             |             |
| Governor's Recommendation   | 0.00 | 0       | 1,422,200   | 0           | 1,422,200   |
| <b>4. Contract Construction Increase</b>  |      |         |             |             |             |
| Agency Request  | 0.00 | 0       | 0           | 0           | 0           |
| <i>The Governor recommends increased spending authority from the disallowed increase in employee compensation.</i>  |      |         |             |             |             |
| Governor's Recommendation   | 0.00 | 0       | 2,617,200   | 224,600     | 2,841,800   |
| <b>5. Governor's Transportation Initiative</b>  |      |         |             |             |             |
| Agency Request  | 0.00 | 0       | 0           | 0           | 0           |
| <i>The Governor recommends increased spending authority in contract construction following a fund shift that phases out Idaho State Police's share on the Highway Distribution Account over five years. Funding is contingent on the successful passage of the Governor's transportation legislative package.</i> |      |         |             |             |             |
| Governor's Recommendation   | 0.00 | 0       | 3,200,000   | 0           | 3,200,000   |
| <b>FY 2010 Total</b>  |      |         |             |             |             |
| Agency Request  | 0.00 | 0       | 33,690,200  | 250,256,100 | 283,946,300 |
| Governor's Recommendation   | 0.00 | 0       | 41,972,200  | 250,480,700 | 292,452,900 |
| Agency Request  |      |         |             |             |             |
| Change from Original App  | 0.00 | 0       | (5,714,500) | 14,511,900  | 8,797,400   |
| % Change from Original App  |      |         | (14.5%)     | 6.2%        | 3.2%        |
| Governor's Recommendation   |      |         |             |             |             |
| Change from Original App  | 0.00 | 0       | 2,567,500   | 14,736,500  | 17,304,000  |
| % Change from Original App  |      |         | 6.5%        | 6.3%        | 6.3%        |